STATE DEPARTMENT AUTHORIZATION/Minimum Wage

SUBJECT: Foreign Relations Revitalization Act of 1995 . . . S. 908 . Kassebaum motion to table the Kennedy amendment No. 1977, as amended.

ACTION: MOTION TO TABLE AGREED TO, 49-48

SYNOPSIS: As reported, S. 908, the Foreign Relations Revitalization Act of 1995, will streamline foreign policy operations. It will abolish the Arms Control and Disarmament Agency (ACDA), the Agency for International Development (AID), and the United States Information Agency (USIA), and will give the State Department responsibility for their functions. The bill will authorize \$23.5 billion in total over the next 4 years, for an estimated savings of \$3.66 billion.

The Kennedy amendment, prior to being amended, would have made nine sense-of-the-Senate statements regarding the minimum wage, including the following:

- the current economic recovery has generated record profits but below average hourly wage increases;
- the minimum wage has not been raised since April 1, 1991, and has lost more than 10 percent of its purchasing power since then;
- legislation to raise the minimum wage to \$5.15 per hour was introduced on February 14, 1995, but has not been debated by the Senate; and
- the Senate should debate and vote on whether to raise the minimum wage before the end of the first session of the 104th Congress.

As amended by a Nickles/Kassebaum perfecting amendment, the Kennedy amendment would instead express the sense of the Senate that the Senate should debate and vote on comprehensive welfare reform before the end of the first session of the 104th Congress.

Debate was limited by unanimous consent. Following debate, Senator Kassebaum moved to table the Kennedy amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment. NOTE: A Kerry second-degree perfecting amendment to the Kennedy amendment, as amended, fell when the Kennedy

(See other side)

YEAS (49)			NAYS (48)			NOT VOTING (3)	
Republicans Democrats (48 or 92%) (1 or 2%)		Republicans (4 or 8%)	Democrats (44 or 98%)		Republicans (2)	Democrats (1)	
							Abraham Ashcroft Bennett Bond Brown Burns Chafee Coats Cochran Cohen Coverdell Craig D'Amato DeWine Dole Domenici Faircloth Frist Gorton Grams Grassley Gregg Hatch

VOTE NO. 344 JULY 31, 1995

amendment was tabled. The Kerry amendment would have added back the language of the Kennedy amendment that was stricken by the Nickles/Kassebaum amendment.

Those favoring the motion to table contended:

The minimum wage is just one part of the Fair Labor Standards Act. That Act is a comprehensive piece of legislation which covers everything from child labor laws to overtime laws. We believe that 50-year-old Act needs extensive review and hearings to bring it up to date with the significant changes that have occurred in the workforce over the last 5 decades. Senator Kassebaum, the Chairman of the Labor Committee, has committed to holding those hearings. We note that Senator Kennedy, the sponsor of this amendment who also happened to be the Chairman of the Labor Committee last Congress, failed to hold hearings on the minimum wage. Neither did he ever introduce an amendment to try to force then-Majority Leader Mitchell to bring the issue to the floor. Now the issue has become of such import to Senator Kennedy that he has felt compelled to offer an amendment on it to the State Department Authorization bill. Some of us may be supportive of an increase in the minimum wage; others of us believe mandating a minimum wage does more harm than good. However, we will not allow the Senator from Massachussetts to draw us into a debate on an issue that he and his fellow Democrats did not find important enough to bring up when they were in the majority and controlled the schedule. Majority Leader Dole will decide if and when this issue will come up this session. We urge Senators to reject this attempt to dictate the Senate's schedule.

Those opposing the motion to table contended:

The Kennedy amendment merely expresses the sense of the Senate that the Senate should debate whether or not the minimum wage should be raised to \$5.15 per hour. Raising that wage would benefit 12 million American workers. Income inequality is a growing problem in the United States, and the declining purchasing power of the minimum wage is an important factor in this problem. In the past, increases in the minimum wage have led to greater employment, including in low-wage jobs. The obvious reason is that employers were undervaluing the work of their employees. They did not fire anyone because their employees' work, even at higher wage levels, was still valuable to them. We do not see any reason why the same result would not happen today if wages were raised. Our colleagues who are so concerned with cutting welfare should also be aware that a lifting of the minimum wage to \$5.15/hour would result in 5-year savings of \$600 million from the Aid to Families with Dependent Children Program, \$350 million from Medicaid, and \$300 million from Food Stamps. Businesses are recording record profits, but the low-income worker is not benefitting. The inequities in income are producing strains on the social fabric that can be easily fixed just by passing an increase in the minimum wage. We hope our colleagues agree with us that this issue is of sufficient merit that it should be considered this session.